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C O N F I D E N T I A L TEGUCIGALPA 002434

SIPDIS

STATE FOR WHA/CCA, WHA/CEN

E.O. 12958: DECL: 12/02/2015

TAGS: ETTC PREL CU HO
SUBJECT: HONDURAS: WAIVER OF LIBERTAD ACT TITLE III

REF: A. A) SECSTATE 207359

¶B. B) TEGUCIGALPA 01240

Classified By: Econ Chief Patrick Dunn; reasons 1.4 (b) and (d).

- (C) The Government of Honduras (GOH) has actively worked to advance democracy, human rights, and fundamental freedoms in Cuba. On April 15, 2004, the UN Commission on Human Rights (UNCHR) passed a Honduran-sponsored resolution calling for greater respect for human rights in Cuba. In April 2005, Honduras voted with the United States on the UNCHR 2005 resolution, which also called for greater respect for human rights in Cuba.
- (C) On April 19, 2005, then-Honduran MFA Vice Minister AMB Mario Fortin pledged to vote against the Cuban UNCHR resolution on the Guantanamo detainees, if it came to a vote (Note: Mario Fortin has since been promoted to Foreign Minister). This stance was consistent with the GOH position on the 2004 Cuban resolution on the detainees, before that resolution was dropped.
- $\underline{\mathbf{1}}$ 3. (C) Despite a move to thaw relations in 2000, Honduras has not yet named an Ambassador to Cuba, partly out of deference to U.S. wishes. (Comment: In the last days of its term, the Flores administration ended the suspension of relations with Cuba. The Maduro administration has declined to take further actions toward rapprochement with Cuba, and initially sought in summer 2005 to halt an extensive Cuban medical assistance program to Honduras, before public outcry forced the GOH to renew the program. End Comment.) The GOH consistently and publicly states that concern over Cuba's human rights policies is a fundamental tenet of its policy toward the Castro regime. In 2004, PolCouns met with the new Honduran Charge d'Affaires in Havana, Humberto Lopez Villamil, prior to his recent departure to Havana to emphasize the importance of human rights in Cuba. Villamil welcomed the meeting and indicated he would seek out the U.S. Interests Section in Havana.
- 14. (C) In addition, in 2005 the GOH accepted 20 Cubans resettled by the International Organization of Migration (IOM). The GOH did this despite a possible negative reaction from the GOC.
- $\underline{\P}$ 5. (SBU) The Ministry of Industry and Trade and the Central Bank recently began collecting information on Honduran investments abroad, and now are preparing a preliminary report. Last year, for the first time, the Central Bank added a question on Honduran investment abroad to its annual questionnaire of Honduran companies. Based on EconOff conversation with the chief economist from the Central Bank, we do no expect any significant Honduran investments in Cuba throughout 2005.
- $\P6.$ (U) Honduras also receives very little investment from Cuba. In an August 2005 report on flows of international investment, the Central Bank reports no significant flows of investment from Cuba into Honduras.
- (C) On May 5, 2005, Mr. Antonio Kattan, owner of Honduran steel company Aceros Alfa, told EconOffs that he is facing unfair competition from Cuban government-owned competitor, Aceros Centro Caribe. According to Mr. Kattan, Aceros Centro Caribe is importing production inputs without paying its parent company in Cuba, then selling steel rebar in Honduras at less than market value. It should be taken into account, however, that Mr. Kattan,s company is one of a handful in the region that meet periodically to fix regional steel prices, and therefore it would be in his interest to overstate the allegations against this Cuban competitor (ref
- 17. (C) If the Title III waiver were not renewed for Honduras, it could undermine clear GOH support for pressuring Cuba to improve its human rights record, undermine general GOH support for U.S. Cuba policy, and unnecessarily punish a supportive regional ally. Ford